

Hedging Policy

You deal with AETOS Capital Group Pty Ltd (“AETOS” “we” “us” “its”) as a counterparty for every transaction you enter into on our platform. You will have an exposure to us in relation to each transaction if we are not ready, willing or able to meet our obligations. For example, if AETOS were to become insolvent, you will not be able to rely on AETOS’ ability to meet its counterparty obligations to you to settle the relevant contract. AETOS limits this exposure by hedging its exposure to its clients by entering into transactions as principal in the wholesale market in relation to its exposures with clients. AETOS is then exposed to counterparty risks with that hedging party. AETOS’ policy to manage its exposure to market risk from client positions is to offset (hedge) client trades with its parent company or other related entities on a back-to-back basis. Thus, there is limited risk to AETOS. In turn, AETOS’ parent company or related entity centrally manages the exposure it has to AETOS and other entities by aggregating its exposure and internally offsetting client trades with each other. Any net exposure of AETOS is then hedged by AETOS’ parent company or related entity with its liquidity provider. Providers are chosen based on their ability to provide liquidity in the underlying market as well as the strength of their balance sheet.

Determining whether Hedging Counterparties are of sufficient financial standing:

If at any time AETOS engages additional hedging counterparties, it will seek to ensure that hedging counterparties meet at least three of the following criteria:

- (a) are appropriately licensed and regulated by an independent body in the relevant jurisdiction;
- (b) have strong financial and compliance (including risk management) resources;
- (c) have been independently rated by a ratings house (e.g. Standard & Poor’s); and
- (d) have a proven track record in relation to OTC products.

AETOS' current liquidity providers are listed as follows:

Legal name	Country	Status
AETOS Capital Group Holdings Limited	The Cayman Islands	NA
Interactive Brokers LLC	Australia	AFSL no.: 245574
IS Prime Limited	The United Kingdom	FCA registration no.: 629586
Finalto Financial Services Limited	The United Kingdom	FCA registration no.: 481853
Equiti Capital UK Limited	The United Kingdom	FCA registration no.: 528328